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## **New study details consequences of predatory trade, shows economic benefits of enforcing trade laws**

*Study puts focus on illegal trade practices, shows devastating effects on workers, manufacturers, their communities*

WASHINGTON, D.C. (May 22, 2007) – A study released today by the Alliance for American Manufacturing gives a first-of-its-kind look at the consequences of predatory trade practices on workers, manufacturers and their communities, and emphasizes the economic benefit of enforcing U.S. trade laws.

The study, “Enforcing the Rules,” provides an analysis of 10 recent cases in which anti-dumping (AD) or countervailing duties (CVD) have been imposed to combat illegally dumped and subsidized imports in industries including shrimp, steel and furniture-making.

“When our trade laws are enforced, the contributions to the economy actually outweigh any of the so-called benefits of the dumped or subsidized imports by more than 50 times, in the form of American jobs, added productivity and a positive economic impact on the surrounding communities,” said Scott N. Paul, AAM’s executive director.

In the manufacturing sector alone, predatory trading practices have contributed to the loss of 3.2 million jobs and the closing of more than 40,000 facilities since 2000.

“Some critics have argued that AD/CVD laws impose duties that result in an increased price of the import, causing U.S. consumers to pay more. This new study shows that analysis to be incomplete and inaccurate,” Paul said. “The truth is that our trade laws are an effective tool for holding our trading partners accountable and combating illegal foreign trade practices that threaten the economic security of countless American workers and companies.”

“Enforcing the Rules” considers the direct impact of dumping and subsidies, the indirect impact on suppliers and related industries and the impact of the additional borrowing needed as a result of the trade deficit to purchase imports, along with what are considered benefits, including lower prices for consumers.

“To get the true picture of the impact of dumping and subsidies, you have to look at the overall ripple effect on the economy, on the companies, on related industry sectors and on workers,” said Greg Mastel, one of the study’s authors. “The real damage also includes workers losing their jobs and plant closings, as well as the negative impact on the communities where those facilities are located.”

Measured by lost revenue, the impact the 10 specific sectors varied considerably. However, the overall analysis shows that the damaging effects of dumping and subsidies were curbed by applying the AD/CVD duties, which helped ensure that American producers were not undercut by goods that had been priced artificially low and dumped into the U.S. market.

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In the 10 industries included in the study, the authors found that prior to AD/CVD laws being imposed, the impact of predatory trade practices was:

- Warmwater Shrimp - \$209.7 million lost revenue (2000-2003)
- Crawfish Tailmeat - \$5.9 million lost revenue (1994-1996)
- Garlic - \$12.3 million lost revenue (1991-1994)
- Honey - \$126.7 million lost revenue (1998-2000)
- Individually Quick-Frozen Red Raspberries - \$2.5 million lost revenue (1999-2001)
- Gray Portland Cement and Cement Clinker - \$955.5 million lost revenue (1986-1989)
- Wooden Bedroom Furniture - \$332.9 million lost revenue (2001-2003)
- Hot-Rolled Flat-Rolled Carbon-Quality Steel - \$2.6 billion lost revenue (1996-1998)
- Ball Bearings - \$847 million lost revenue (1985-1987)
- Softwood Lumber - \$2.2 billion lost revenue (1999-2001)

“This is about a level playing field for American workers and companies,” Paul said. “It’s about making sure that we have the chance to compete in a global market that is fair, and when our trading partners don’t follow the rules and cheat the system, they must be held accountable.”

The entire “Enforcing the Rules” study and its companion video are available online at [www.americanmanufacturing.org](http://www.americanmanufacturing.org).

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*The Alliance for American Manufacturing is a non-partisan, non-profit labor-management partnership forged to strengthen manufacturing in the U.S. AAM promotes creative policy solutions on priorities such as international trade, energy security, health care, retirement security, currency manipulation, and other issues of mutual concern. For more information: [www.americanmanufacturing.org](http://www.americanmanufacturing.org).*